

operation that produced the tax cut and the balanced budget bills in the first place. Did you give that any consideration?

**The President.** Absolutely. And when Senator McCain came to see me about the campaign finance issue and our common support for his legislation, we talked about it a little bit. As I've already said to you, that one of the reasons that we have decided on a relatively small number is I didn't want to touch anything that I thought where there was even a question that it might have been part of the negotiating process and a cooperative spirit with Congress.

If you look at these three things, they present three entirely different problems, but I think all three are outside the scope of the budget negotiating process and all three are the kinds of things that the line item veto was meant for: the first, the avoidance of Federal taxation in an inappropriate way; the second, giving a break to one State in a way that would immediately disadvantage several others and potentially disadvantage all the other States; and the third, as I said, I believe a very worthy goal, having incentives for farmers' co-ops to integrate with production facilities in a way that is overbroad and could lead to the total avoidance of taxation under circumstances, which are inappropriate, which would require a more disciplined fix. I think those are the kinds of things that the line item veto was meant to deal with in these contexts.

Now, when you get to the appropriations process it will be somewhat more straightforward: Should this project be built or not; should this road be built or not; should this money be given to this agency or not for this program? And I think that those are the things where typically it's in use at the State level. But in the context of taxes and the entitlements, I thought each of these three things presented a representative case where the veto was intended to be used.

**Q.** Are you running out of travel money, sir? [Laughter]

**The President.** I hope not; I'm trying to go on holiday. [Laughter]

NOTE: The President spoke at 12:30 p.m. in the Oval Office at the White House. The President signed cancellations affecting Public Law 105-33,

the Balanced Budget Act of 1997; and Public Law 105-34, the Taxpayer Relief Act of 1997.

### **Letter to Congressional Leaders Transmitting a Line Item Veto of the Balanced Budget Act of 1997**

*August 11, 1997*

*Dear Mr. Speaker: (Dear Mr. President:)*

In accordance with the Line Item Veto Act, I hereby cancel one item of new direct spending, as specified in the attached report, contained in the "Balanced Budget Act of 1997" (Public Law 105-33; H.R. 2155). I have determined that this cancellation will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachment, constitutes a special message under section 1022 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Sincerely,

**William J. Clinton**

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The report detailing the cancellation was published in the *Federal Register* on August 12.

### **Letter to Congressional Leaders Transmitting Line Item Vetoes of the Taxpayer Relief Act of 1997**

*August 11, 1997*

*Dear Mr. Speaker: (Dear Mr. President:)*

In accordance with the Line Item Veto Act, I hereby cancel two limited tax benefits, as specified in the attached reports, contained in the "Taxpayer Relief Act of 1997" (Public Law 105-34; H.R. 2155). I have determined that each of these cancellations will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachments, constitutes a special message under section 1022 of the Congressional Budget and Impoundment Control Act of 1974, as amended.

Sincerely,

**William J. Clinton**